



April 20, 2016

The Honorable Bill Shuster
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines
and Hazardous Materials
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Peter DeFazio
Ranking Member
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mike Capuano
Ranking Member
Subcommittee on Railroads, Pipelines,
and Hazardous Materials
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairmen Shuster and Denham and Ranking Members DeFazio and Capuano:

The American Petroleum Institute (API) and the Association of Oil Pipe Lines (AOPL) would like to express our support for the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016 (PIPES Act) as modified by the Denham managers' amendment and thank you for your thoughtful approach and commitment to pipeline safety.

API is the only national trade association representing all facets of the oil and natural gas industry, which supports 9.8 million U.S. jobs and 8 percent of the U.S. economy. API's more than 625 members not only produce and refine the resources that help America run, but API's members also transport them straight to consumers by pipeline, rail, and barge.

AOPL is a nonprofit organization whose membership is comprised of owners and operators of liquid pipelines. AOPL's members carry more than 98% of the crude oil and refined petroleum products moved by pipelines in the United States. AOPL educates the public about the vital role oil pipelines serve in the daily lives of Americans, including the measures taken to ensure the safety of oil pipelines and the resources and procedures in place to respond in the event of a discharge.

The U.S. has approximately 320,000 miles of natural gas pipelines and 190,000 miles of liquid pipelines, which combined, can circle the Earth over 20 times. As domestic production grows, pipelines will be the vital link to connect our abundant oil and natural gas resources to refineries, chemical plants, business, and consumers.

Liquids pipelines deliver 99.999% of product without incident, but pipeline operators recognize more can be done to ensure that the U.S. continues to have the safest, most robust pipeline network in the world. They have spent over \$2.2 billion in 2014 to evaluate, inspect, and maintain pipelines. Additionally, industry standards to improve pipeline integrity by mitigating pipeline cracking, applying appropriate leak detection techniques, and developing and employing safety management systems are being competed and implemented.

The PIPES Act allows operators to continue their own, valuable pursuits to achieve the industry-wide goal of zero incidents, and it addresses areas of improvement for PHMSA including the following:

- Improves transparency of the PHMSA rulemaking process: PHMSA has over a dozen outstanding mandates from the 2011 pipeline safety legislation, and this bill helps the public, Congress, and the industry keep track of their status.
- Shortens inspection reporting time: Obtaining inspection results faster will help ensure operators have access to critical information that could impact pipeline performance and, if needed, respond more quickly to identified-areas of concern, ensuring the safe operation of a pipeline.

- Workforce management: Requires an Inspector General review, including recommendations on addressing hiring challenges, training needs, and other staff resource challenges, in order to ensure PHMSA has the appropriate number of staff available to provide timely and effective inspections of pipelines.

API and AOPL encourage the Chairman and Ranking Member of the full committee to swiftly consider and pass this legislation as modified by the Denham managers' amendment through the committee. We encourage the Committee to reject unfavorable amendments, which would disrupt the balanced nature of the bill. We look forward to working closely with you to advance this legislation.

Respectfully,

A handwritten signature in black ink, consisting of a stylized 'L' followed by a series of loops and a long horizontal stroke.

Louis Finkel
Executive Vice President for Government Affairs
American Petroleum Institute

A handwritten signature in black ink, reading 'Andrew J. Black' in a cursive script.

Andy Black
President and CEO
Association of Oil Pipe Lines